



City of Wheatland

111 Main Street – Wheatland, California 95692
Tel (530) 633-2761 – Fax (530) 633-9102

CITY COUNCIL MEETING STAFF REPORT

Date: January 26, 2010
Agenda Item:

Subject: EDA Grant - Commercial Development Plan

Prepared by: Stephen L. Wright, City Manager

A handwritten signature in blue ink, appearing to be "SLW", is written over the name Stephen L. Wright.

Recommendation: Council approve the City's participation with Live Oak, Marysville and the YSEDC in an EDA funded commercial development planning effort through a City contribution of \$31,175 in in-kind services.

Discussion: Last year the Yuba Sutter Economic Development Corporation filed for an EDA grant to create a marketing strategy for the 3 small cities to attract business and industries to these communities. Attached is a detailed report on the scope of this proposed effort. The proposal would include the hiring of a consulting firm to actually develop the marketing effort at an estimated cost of \$114,000. The three cities and the YSEDC would then contribute \$31,175 each in in-kind services (staff time and related expenses) in order to provide the grant match requirement over the course of the next year.

Although the match requirement is relatively large, it is anticipated that City staff can accomplish that match to accommodate the grant requirement. Brynda Stranix, the interim President and COO of the YSEDC will be in attendance at tonight's meeting.

Alternatives: The Council could choose to not participate in the program.

Fiscal Impact: None other than the required staff time devoted to the implementation of this grant program.

STAFF REPORT

TO: Jim Goodwin, Manager, City of Live Oak
Steve Casey, Manager, City of Marysville
Steve Wright, Manager, City of Wheatland

FROM: Brynda Stranix, Interim President and Chief Operations Officer

DATE: January 16, 2010

SUBJECT: U.S Department of Commerce, Economic Development Administration Grant Award
Commercial Development Plan

Background

Yuba-Sutter Economic Development Corporation in conjunction with and on behalf of the cities of Live Oak, Marysville and Wheatland submitted a grant application to the U.S. Department of Commerce Economic Development Administration in support of a Commercial Development Plan on February 26, 2009. The grant has been awarded to YSEDC in the total amount of \$238,700; \$127,700 federal and \$111,000 non-federal.

The project is a total marketing strategy that will enable community leaders of the cities of Live Oak, Marysville and Wheatland to create and immediately implement a business attraction program for the target industries of healthcare and social assistance; arts, entertainment and recreation; accommodation and food services; retail trade; light industrial; professional and technical services; educational services; and, automotive and appliance repair and servicing.

It will provide data and marketing tools to make a compelling case to commercial developers as to why and how Yuba-Sutter can support new and expanded commercial development using trade area analysis, current and active commercial developers' contact information, marketing materials and online program management.

The availability of land, buildings and infrastructure necessary to provide services to new and expanding businesses will be identified and included in the District's Comprehensive Economic Development Strategy's annual process.

The project will increase employment, broaden and diversify tax revenues, and revitalize the targeted trade areas. The commercial development plan will include:

1. Identify Trade Areas

A drive-time trade area will be identified within each of the cities of Live Oak, Marysville and Wheatland's distinct commercial areas.

A custom drive-time analysis, recognized as more accurate in reflecting consumer patterns, will define each primary trade area according to the time it takes to drive to a given site. The resulting drive-time trade area will be a polygon because of factors such as road network configurations, speed limits, time of day, and natural barriers such as parks and lakes.

2. Evaluate Trade Areas

Initial analysis of trade areas will yield the site best positioned for commercial recruitment. Factors considered in the analysis include psychographic analysis of households; demand for goods and services; existing commercial trends in the trade areas and surrounding regions; site setting, situation and configuration; growth plans and relevant developments; and, commercial development goals of the cities.

A supply and demand of goods and services report at county levels will be produced to analyze consumer spending within the county versus outside the county. This data will result in a commercial development site map.

The evaluation process, which does not rely on dated research or national and state statistics that fail to reflect local realities, will illustrate what makes the sites within each of the cities distinctive and valuable from the viewpoint and scrutiny of commercial developers.

The trade area evaluation will provide an estimate of commercial dollars flowing in or out of the region and will also analyze all the households within the trade area.

3. Define Trade Areas

Once the three trade areas have been identified and evaluated they will be compared with established similar trade areas in similar regions resulting in a preliminary list of matched commercial developers representing the targeted industries.

The preliminary list is then further refined to yield a final list from which up to 120 industry developers can be selected for contact and recruitment by the cities.

The analysis is designed to eliminate those industries that for any reason would not be a candidate for the specific city. Considered in the analysis are such factors as verification of those industry segments currently operating or expanding in the city, location of operations in similar cities, and competition and cannibalization from nearby industry locations.

A final list of 10 industry developers per city will be created for marketing pursuits.

4. Market Trade Areas

Individualized marketing packages for each targeted industry will be produced for presentation to those industry and commercial developers. Each marketing package is unique to the specific targeted developer, providing compelling and precise information that demonstrates the cities' qualifications as a location and development consideration.

Each marketing package contains a map of the trade area, commercial site and consumer base; demographic and psychographic analysis of the trade area; and, an explanation of the methodology.

5. Online marketing system.

An online marketing system allows the cities to effectively showcase their trade areas to achieve maximum results. The cities can access the system to reproduce maps, site-specific data and generate their own custom marketing presentations for 12 months.

The marketing system's comprehensive data is maintained, updated and supported by 250 national databases that include more than 4,500 lifestyle and consumer habits. The cities can tailor reports and presentations and immediately respond to questions or information requests from industry developers.

The cities will have the data necessary to visualize and count the households that appeal to specific target industries; manage industry-specific data from maps, photographs and zoning information; store and retrieve information on buildings and sites and electronically present the information to recruit industry developers.

With the retail marketing packages, the cities can begin to immediately market their sites and communities to the targeted industry developers and maintain the momentum for an entire year.

Fiscal Impact

There is a required personnel component totaling \$124,700 in that will be divided equally between the four entities; Yuba-Sutter Economic Development Corporation and the cities of Live Oak, Marysville and Wheatland partnering on the project.

The balance of the grant is \$114,000 which provides for consultant expertise to guide the process and provide the desired outcomes.

Recommendation

YSEDC staff recommends approval of the in-kind contribution of \$31,175 from each entity to provide the required in-kind match.



U. S. DEPARTMENT OF COMMERCE
Economic Development Administration
915 Second Avenue, Room 1890
Seattle, WA 98174
Fax: 206.220.7669
Voice: 206.220.7660

In reply refer to:
Investment No.: 07-69-06476

Ms. Brynda Stranix
Vice-President of Business Development
Yuba-Sutter Economic Development Corporation
1227 Bridge Street, Suite C
Yuba City, California 95991-3618

Dear Ms. Stranix:

I am pleased to inform you that the Department of Commerce's Economic Development Administration (EDA) has approved your application for a \$127,700 EDA investment.

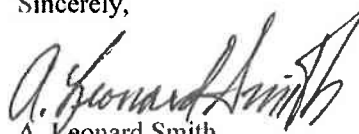
Enclosed are three signed copies of the Financial Assistance Award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on each of the signed copies of the Financial Assistance Award. Two of the executed copies should be returned to A. Leonard Smith, Regional Director, Economic Development Administration, 915 Second Ave., Suite 1890, Seattle, Washington 98174. If not signed and returned within 30 days of receipt, the Grants Officer may declare the Award null and void.

Please do not make any commitments in reliance on this award until you have carefully reviewed and accepted the terms and conditions. Any commitments entered into prior to obtaining the approval of EDA in accordance with its regulations and requirements will be at your own risk.

EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA implements this mission by making strategic investments in the nation's most economically distressed communities that encourage private sector collaboration and creation of higher-skill, higher wage jobs. EDA investments are results driven, embracing the principles of technological innovation, entrepreneurship and regional development.

I share your expectations regarding the impact of this investment and look forward to working with you to meet the economic development needs of your community.

Sincerely,


A. Leonard Smith
Regional Director

Enclosures

U.S. Department of Commerce
Economic Development Administration

Special Award Conditions of Financial Assistance Award
for Grants for Economic Adjustment Assistance under Section 209 of the Public
Works and Economic Development Act of 1965 as amended, by the Economic
Development Administration Reauthorization Act of 2004

Award Number: 07-69-06476

Recipient: Yuba-Sutter Economic Development Corporation

Address: 1227 Bridge Street, Suite C
Yuba City, CA 95991-3618

I. This award will extend from January 1, 2010 through December 31, 2010.

EDA will make award payments by Automated Standard Application for Payment (ASAP). Grantees are encouraged to drawdown funds in the quarter allowed.

<u>Period</u>	<u>Amount</u>
January 1, 2010 - March 31, 2009	\$31,925
April 1, 2010 - June 30, 2010	\$31,925
July 1, 2010 - September 30, 2010	\$31,925
October 1, 2010 - December 31, 2010	\$31,925

II. Total allowable costs will be determined at the conclusion of the award period in accordance with OMB Circular A-87, A-133 and 15 CFR Part 24.

In the event of an under-run in total costs for the project, the Federal share for this project period will be limited to the same proportion as the Federal amount to the total approved budget as stated in Item IV. The Federal share of total allowable costs shall not exceed the dollar amount in the approved budget of the original award and subsequent amendments.

III. The following reports are due on the dates indicated:

A. Midpoint Progress Report	June 30, 2010
B. Final Progress Report	January 31, 2011
C. Financial Reports	

OMB has consolidated and replaced four existing financial reporting forms (SF-269, SF-269A, SF-272, and SF-272A) with **Form SF-425**, Federal Financial Report (FFR).

<u>Period</u>	<u>Due Date</u>
January 1, 2010 - June 30, 2010	July 31, 2010
July 1, 2010 - December 31, 2010	January 31, 2010

Note: The final financial report should include all expenses charged to the award. The Recipient, however, may elect to submit a separate final financial report for the entire award period no later than 60 days following the expiration of the award period.

EDA will close the award on the basis of the final financial report. EDA may, however, revise the eligible project costs based upon the audit report, if required under the Standard Terms and Conditions.

E. Submissions

All reports and correspondence related to this project are to be submitted to the Federal Program Officer:

Bettye Atkinson, Area Director
Economic Development Administration
Seattle Regional Office
Jackson Federal Building, Suite 1890
915 Second Avenue
Seattle, WA 98174

In addition, the Recipient will submit a copy of the Midpoint Progress Report and the Final Progress Report to the appropriate EDA Economic Development Representative.

IV. Budget:

A. Under the terms of the Award the approved budget is:

Federal Cash Contribution	\$127,700
Recipient Contribution	<u>111,000</u>
Total	\$238,700

B. Budget Categories

Direct Charges:

1. Personnel	\$124,700
2. Fringe Benefits	\$ 0
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 0
6. Contractual	\$114,000
7. Other	\$ <u>0</u>
Total Direct Charges	\$238,700
8. Indirect Charges	\$ <u>0</u>
Grand Total	\$238,700

V. See the attached Scope of Work (Attachment A) and Authorized Staff Positions (Attachment B).

SCOPE OF WORK

Yuba-Sutter Economic Development Corporation

1. Identify Trade Areas

A drive-time trade area will be identified within each of the cities of Live Oak, Marysville and Wheatland's distinct commercial areas according to the time it takes to drive to a given site and will be a polygon because of factors such as road network configurations, speed limits, time of day, and natural barriers such as parks and lakes.

2. Evaluate Trade Areas

Initial analysis of trade areas will yield the site best positioned for commercial recruitment. A supply and demand of goods and services report at county levels will be produced to analyze consumer spending within the county versus outside the county. This data will result in a commercial development site map. The evaluation process will illustrate what makes the sites within each of the cities distinctive and valuable from the viewpoint and scrutiny of commercial developers.

3. Define Trade Areas

Once the three trade areas have been identified and evaluated they will be compared with established similar trade areas in similar regions resulting in a final list of 10 industry developers per city for marketing pursuits.

4. Market Trade Areas

Individualized marketing packages for each targeted industry will be produced for presentation to those industry and commercial developers. Each marketing package will contain a map of the trade area, commercial site and consumer base; demographic and psychographic analysis of the trade area; and, an explanation of the methodology and will be specific to the targeted developer.

5. Online marketing system.

An online marketing system, which is maintained, updated and supported by 250 national databases, will allow the cities to effectively showcase their trade areas to achieve maximum results. The cities can access the system to reproduce maps, site-specific data and generate their own custom marketing presentations for 12 months. The cities can tailor reports and presentations and immediately respond to questions or information requests from industry developers. With the retail marketing packages, the cities can begin to immediately market their sites and communities to the targeted industry developers and maintain the momentum for an entire year.

AUTHORIZED STAFF POSITIONS

Yuba-Sutter Economic Development Corporation

Authorized Personnel Chargeable to the EDA Grant and Maximum Salary Levels:

<u>EDA Position</u>	<u>Annual Salary</u>	<u>% EDA</u>	<u>% Local</u>	<u>EDA \$ Amount</u>	<u>Local Amount</u>	<u>Total Amount</u>
President	\$104,468	0%	5%	\$0	\$5,000	\$5,000
Admin. Services Manager	\$87,493	16%	0%	\$13,700	\$0	\$13,700

DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE

SPECIAL AWARD CONDITIONS

A. AWARD NUMBER AND PROPOSAL DESCRIPTION.

This Award Number 07-69-06476 supports the work described in the Recipient's proposal, entitled Economic Adjustment Assistance Program dated 05/14/2009, as revised by N/A dated _____ which is incorporated into this award by reference. Where the terms of this award and proposal differ, the terms of the award shall prevail.

B. AWARD CONTACTS.

1. The Recipient Contact's name, address and telephone number are:

Brynda Stranix
Vice-President of Business Development
Yuba-Sutter Economic Development Corporation
1227 Bridge Street, Suite C
Yuba City, CA 95991-3618

(530) 751-8555

2. The Federal Program Officer is responsible for the programmatic, technical and/or scientific aspects of this award. The Federal Program Officer's name, address and telephone number are:

Bettye Atkinson, Area Director
Economic Development Administration
Seattle Regional Office
Jackson Federal Building, Suite 1890
915 Second Avenue
Seattle, WA 98174

206-220-7665

3. The Grants Officer is responsible for all administrative aspects of this award and is authorized to award, amend, suspend, and terminate financial assistance awards. The Grants Officer's name, address and telephone number are:

A. Leonard Smith, Regional Director
Economic Development Administration
Seattle Regional Office
Jackson Federal Building, Suite 1890
915 Second Avenue
Seattle, WA 98174

206-220-7660

4. The Grants/Cooperative Agreement Specialist is responsible for administrative coordination and liaison with the Recipient. This individual receives appropriate material from the Federal Program Officer and/or the Recipient for administrative processing. The Grants/Cooperative Agreements Specialist's name and telephone number are:

Bill O'Neil
206-220-7680

C. FINANCIAL REQUIREMENTS.

The line item budget for this award is as follows:

	<u>Federal</u>	<u>Non-Federal</u>	<u>Total</u>
Personnel	\$ 13,700	\$111,000	\$124,700
Fringe Benefits	0	0	0
Travel	0	0	0
Equipment	0	0	0
Supplies	0	0	0
Contractual	114,000	0	0
Other	0	0	0
Total Direct	\$127,700	\$111,000	\$238,700
Indirect	0	0	0
Total	\$127,700	\$111,000	\$238,700

D. REFUND CHECKS.

The Recipient shall submit all refund checks to the Department of Commerce (DoC) accounting office identified below. All checks must identify on their face the name of the DoC agency funding the award, award number, and no more than a two-word description to identify the reason for the refund. A copy should be provided to the Federal Project Officer. There are now two options for making payments.

1. Pay.GOV. This option allows the payee to pay EDA through the Internet. The payee will have the option to make a one-time payment or to set up an account to make regular payments.
2. The second option is Paper Check Conversion. This option allows the payee to send a check to EDA's headquarters. The accounting staff will scan the checks and send an encrypted file to the Federal Reserve Bank, and funds will be deposited in EDA's account. The debit from your account will usually occur within 24 hours. You will not receive your original check back. Your original check will be destroyed, but a copy of it will be maintained in our office. If the EFT cannot be processed for technical reasons, the copy will be processed in place of the original check. If the EFT cannot be completed because of insufficient funds, we will charge you a one-time fee of \$25.00 which will be collected by EFT.

Accounting
Department of Commerce
Economic Development Administration
Administrative and Support Services Division
1401 Constitution Ave. NW
Washington, DC 20230

E. PROGRAM INCOME.

Program income earned during the award period shall be retained by the Recipient and added to funds committed to the award and used for the purposes and under the conditions applicable to the award and/or used to finance the non-federal share of award costs.

F. EQUIPMENT PURCHASES.

Recipients are hereby notified that they are encouraged, to the extent feasible, to purchase American-made equipment and products with funding provided under this program in accordance with Congressional intent as set forth in the resolution contained in Public Law 103-317, Section 607.